



Council for  
Affordable Health  
Insurance

# HEALTH INSURANCE MANDATES IN THE STATES

## 2006



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# A State-by-State Breakdown of Health Insurance Mandates and Their Costs

A health insurance "mandate" is a requirement that an insurance company or health plan cover (or offer coverage for) common — but sometimes not so common — health care providers, benefits and patient populations. They include:

- Providers such as chiropractors and podiatrists, but also social workers and massage therapists;
- Benefits such as mammograms, well-child care and even drug and alcohol abuse treatment, but also acupuncture and hair prostheses (wigs); and,
- Populations such as adopted and non-custodial children.

For almost every health care product or service, there is someone who wants insurance to cover it so that those who sell the products and services get more business and those who use the products and services don't have to pay out of pocket for them.

**The Impact of Mandates.** While mandates make health insurance more comprehensive, they also make it more expensive because mandates require insurers to pay for care consumers previously funded out of their own pockets. Based on our analysis presented in this paper, mandated benefits currently increase the cost of basic health coverage from a little less than 20% to more than 50%, depending on the state. Mandating benefits is like saying to someone in the market for a new car, if you can't afford a Lexus loaded with options, you have to walk. Having that Lexus would be nice, as would having a health insurance policy that covers everything one might want. But drivers with less money can find many other affordable options; whereas when the price of health insurance soars, few other options exist.

**Why Is the Number of Mandates Growing?** Elected representatives find it difficult to oppose any legislation that promises enhanced care to potentially motivated voters. The sponsors of mandates know this fact of political life. As a result, government interference in and control of the health care system is steadily increasing. So too is the cost of health insurance.

By the late 1960s, state legislatures had passed only a handful of mandated benefits; today, the Council for Affordable Health Insurance (CAHI) has identified more than 1,800 mandated benefits and providers. More are on their way.

How do state legislators justify their actions? One way is to deny a mandate is a mandate. For example, legislators may claim that requiring health insurance to cover a type of provider — such as a chiropractor, podiatrist, midwife or naturopath — is not a mandate because they aren't requiring a particular therapy. But if insurance is required to cover the provider, it must pay for the service provided. There is no essential difference in requiring insurance to cover a chiropractor (a provider) or chiropractic care (the therapy).

Another way legislators justify their support is to assert the new mandate will cost little or nothing. Indeed, legislators and a mandate's supporters usually claim that mandating a new provider or benefit will *save money*. But with more than 1,800 mandates in force, we have overwhelming evidence: mandates virtually always cost money rather than save it.

**CAHI's Mandated Benefits and Providers Chart.** The Council for Affordable Health Insurance tracks the introduction and passage of health insurance mandates in every state. The information is broken down on a state-by-state basis into three categories: benefits, providers and covered populations. Boxes with a "Y" indicate that the state has passed that particular mandate. Totals for each state and mandate are also included. Thus anyone can easily determine how many mandates and which ones each state has passed. (For a definition of each mandated benefit, please see [http://www.cahi.org/cahi\\_contents/resources/pdf/MandateBenefitDefinitionMemo.pdf](http://www.cahi.org/cahi_contents/resources/pdf/MandateBenefitDefinitionMemo.pdf).)

**Mandates and Standard Coverage.** Please note that the health care community and insurers consider some of the mandates listed in the chart to be the typical and appropriate standard of care and/or treatment, and therefore would likely be included in many standard health insurance policies. The purpose of this chart is to tabulate the number of benefits mandated by the states and assess their impact on the cost of insurance — not to make judgments about which mandates should or should not be included in a health insurance policy.

**Assessing the Cost of Mandates.** Besides listing the state mandated benefits, this chart provides a cost assessment of each one. CAHI's Actuarial Working Group on State Mandated Benefits analyzed company data and their experience and provided cost-range estimates — less than 1%, 1-3%, 3-5% and 5-10% — if the mandate were added to a policy that did not include the coverage. However, mandate legislation differs from bill to bill and from state to state. For example, one state may require insurance to cover a limited number of chiropractor visits per year, while another state may require chiropractors to be covered equally with medical doctors. The second will have a greater impact on the cost of a health insurance policy than the first. It would be impossible to make a detailed assessment of the cost of each state's mandates without evaluating each piece of legislation (more than 1,800 of them). Thus, the estimated cost level indicated in the chart is considered typical but may not apply to all variations of that mandate. Further, the additional cost of a mandate depends on the benefits of the policy to which it is attached. Example: A prescription drug mandate costs nothing if it is already covered but can be very costly if added to a policy that doesn't cover drugs.

It is also important to note that mandated benefits may only apply to certain kinds of coverage. For example, a mandated benefit may exempt individual or small group coverage or may only apply to insurance companies that are domiciled in the state. As a result, some kinds of coverage are disproportionately affected and become less attractive to buyers (who now seek out alternatives to these high-cost plans). Finally, states may pass a mandate in one legislative session only to come back in a later session and either expand or reduce the original bill's scope.

**A Caution about Comparisons and Cost Estimates.** Because mandates can drive up the cost of health insurance, it would be easy to assume that the states with the most mandates would also have the highest premiums. While that may be true in some states, it is not necessarily so. Some mandates have a much greater impact on the cost of health insurance than others. For example, mental health parity mandates, which require insurers to cover mental health care at the same levels as physical health care, have a much greater impact on the cost of premiums than would mandates for inexpensive procedures which few people need. In addition, mental health mandates often include mini-mandates within them, like coverage for Autism diagnosis and treatment.

It may be tempting to think that since a particular mandate doesn't add much to the cost of a health insurance policy, there is no reason for legislators to oppose it. The result of this reasoning is that many states have 40, 50 or more mandates. Although one mandate may only increase the cost of a policy by 1%, 40 such mandates will price many people out of the market. It is the accumulated impact of dozens of mandates that makes health insurance unaffordable, not just one.

**New Trends: the "Slacker Mandate."** Over time new trends emerge in coverage mandates. In 2005, for example, two states passed laws — commonly referred to as the "slacker mandates" — increasing the age of unmarried resident dependents or those who are fulltime students. New Mexico now allows health insurance coverage of unmarried dependents until age 25 and New Jersey until age 30.

New mandates have a way of "making the rounds," finding their way into bills all over the country. Updates on these trends can be found in CAHI's online publication, "Trends in State Mandates," available on our website. ([http://www.cahi.org/cahi\\_contents/resources/pdf/TrendsEndsDec2005.pdf](http://www.cahi.org/cahi_contents/resources/pdf/TrendsEndsDec2005.pdf))

Fortunately, there is evidence that some legislators are getting CAHI's message. One interesting trend is that 28 states require that the cost must be assessed before a mandate is implemented. And at least five states provide for mandate-lite policies, which allows some individuals to purchase a policy with fewer mandates more tailored to their needs and financial situation.

**The Rest of the Story.** The mandates enumerated here don't tell the whole story. States have other ways of adversely affecting the cost of health insurance. For example, several states have adopted legislation that requires health insurers to accept anyone who applies, regardless of their health status, known as "guaranteed issue." Or they limit insurers' ability to price a policy to accurately reflect the risk an applicant brings to the pool, known as "community rating" or "modified community rating." Both guaranteed issue and community rating can have a devastating impact on the price of health insurance, especially as younger and healthier people cancel their coverage, leaving the pool smaller and sicker.

Thus, in the aggregate, mandates drive up the cost of health insurance. But determining the impact in a particular state requires careful analysis of each piece of mandate legislation, as well as other regulations that have been promulgated.

	Total	Est. Cost	AK	AL	AR	AZ	CA	CO	CT	DC	DE	FL	GA	HI	IA	ID	IL	IN	KS	KY	LA	MA	MD
<b>BENEFITS</b>																							
Alcoholism	45	1% to 3%	Y	Y	Y		Y	Y	Y	Y		Y	Y	Y			Y	Y	Y	Y	Y	Y	Y
Alzheimer's	2	<1%																					Y
Ambulatory Surgery	12	1% to 3%			Y	Y						Y	Y	Y						Y	Y		
Ambulance Services	8	<1%							Y			Y									Y		
Anti-Psychotic Drugs	2	<1%																					
Autism	7	<1%									Y		Y		Y			Y		Y			Y
Birth Centers/Midwives	6	<1%						Y				Y											
Blood Lead Poisoning	7	<1%					Y				Y											Y	
Blood Products	2	<1%																					Y
Bone Marrow Transplants	10	<1%										Y	Y							Y		Y	
Bone Mass Measurement	15	<1%					Y						Y				Y		Y	Y			Y
Breast Reconstruction	48	<1%	Y	Y	Y	Y	Y		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Cancer Pain Medications	2	<1%																					
Cervical Cancer/HPV Screening	28	<1%	Y				Y		Y	Y	Y		Y				Y				Y	Y	Y
Chemotherapy	4	<1%																					
Chlamydia	3	<1%											Y										Y
Cleft Palate	14	<1%						Y				Y					Y		Y				Y
Clinical Trials	21	<1%				Y	Y		Y		Y		Y								Y	Y	Y
Colorectal Cancer Screening	22	<1%		Y	Y				Y	Y	Y		Y				Y	Y			Y		Y
Congenital Bleeding Disorders	2	<1%																					
Contraceptives	30	1% to 3%			Y	Y	Y	Y	Y		Y		Y	Y	Y	Y	Y			Y		Y	Y
Dental Anesthesia	29	<1%			Y		Y	Y	Y			Y	Y		Y		Y	Y	Y	Y	Y		Y
Diabetes Self-Management	27	<1%	Y		Y	Y	Y	Y		Y		Y	Y	Y	Y		Y	Y	Y	Y			Y
Diabetic Supplies	47	<1%	Y		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y		Y	Y	Y	Y	Y	Y	Y
Drug Abuse Treatment	34	<1%	Y	Y	Y		Y		Y	Y	Y	Y		Y					Y		Y		Y
Emergency Services	43	<1%		Y	Y	Y		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Hair Prostheses	7	<1%							Y													Y	Y
Hearing Aid	9	<1%							Y											Y	Y		Y
Home Health Care	19	<1%				Y	Y	Y	Y			Y								Y		Y	Y
Hospice Care	11	<1%			Y			Y						Y						Y			Y
In Vitro Fertilization	14	3% to 5%			Y		Y		Y					Y			Y				Y	Y	Y
Kidney Disease	1	<1%																					
Long Term Care	4	1% to 3%								Y													Y
Lyme Disease	3	<1%							Y														
Mammogram	50	<1%	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Mastectomy	23	<1%			Y		Y		Y			Y	Y				Y		Y	Y		Y	
Mastectomy Stay	24	<1%			Y		Y		Y			Y	Y				Y		Y				Y
Maternity	21	1% to 3%			Y		Y	Y	Y				Y	Y					Y			Y	Y
Maternity Stay	50	<1%	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Mental Health General	40	1% to 3%		Y	Y		Y	Y	Y	Y		Y	Y	Y			Y		Y	Y	Y	Y	Y
Mental Health Parity	42	5% to 10%		Y	Y	Y	Y	Y	Y		Y		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Minimum Hysterectomy Stay	1	<1%																					
Minimum Testicular Cancer Stays	1	<1%																					Y
Morbid Obesity Treatment	4	1% to 3%											Y					Y					Y
Neurodevelopment Therapy	1	<1%																					
Newborn Hearing Screening	16	<1%									Y	Y						Y				Y	Y
Newborn Sickle-Cell Testing	3	<1%																					
Off-Label Drug Use	37	<1%		Y	Y	Y	Y		Y		Y	Y	Y				Y	Y	Y		Y	Y	Y
Orthotics/Prosthetics	10	<1%					Y	Y	Y			Y											Y
Ostomy Related Supplies	1	<1%							Y														
Other Infertility Services	8	<1%					Y										Y						
Ovarian Cancer Screening	3	<1%											Y										
PKU/Formula	33	<1%	Y		Y	Y	Y	Y	Y			Y		Y				Y		Y	Y	Y	Y
Port-wine Stain Elimination	2	<1%																					
Prescription Drugs	2	5% to 10%																					
Prostate Screening	32	<1%	Y				Y	Y	Y	Y	Y		Y				Y	Y	Y		Y	Y	Y
Rehabilitation Services	8	1% to 3%							Y								Y				Y	Y	
Second Surgical Opinion	9	<1%					Y											Y					Y
TMJ Disorders	19	<1%			Y							Y	Y				Y			Y			Y
Well-Child Care	31	1% to 3%		Y			Y	Y	Y	Y		Y	Y	Y	Y				Y		Y	Y	Y
Wilm's Tumor	1	<1%																					

Legend: Y - Mandated

- Not Mandated

[illegible]

	Total	Est. Cost	AK	AL	AR	AZ	CA	CO	CT	DC	DE	FL	GA	HI	IA	ID	IL	IN	KS	KY	LA	MA	MD
<b>PROVIDERS</b>																							
Acupuncturists	11	1% to 3%				Y					Y												
Chiropracist	3	<1%																					
Chiropractors	46	1% to 3%	Y	Y	Y	Y	Y	Y	Y		Y	Y	Y		Y		Y	Y	Y	Y	Y	Y	Y
Dentists	36	3% to 5%	Y	Y	Y	Y	Y	Y	Y			Y			Y		Y	Y			Y	Y	Y
Denturists	2	<1%																					
Dieticians	3	<1%																					
First Nurse Assistant	5	<1%									Y	Y							Y				
Lay Midwives	3	<1%																					
Licensed Health Professional	11	<1%		Y													Y	Y					Y
Marriage Therapists	13	<1%					Y	Y				Y											Y
Massage Therapists	5	<1%										Y											Y
Naturopaths	3	<1%	Y									Y											Y
Nurse Anesthetists	20	<1%		Y	Y	Y		Y										Y	Y			Y	Y
Nurse Midwives	30	<1%	Y			Y	Y	Y	Y		Y	Y									Y	Y	Y
Nurse Practitioners	29	<1%	Y			Y	Y	Y	Y		Y				Y				Y				Y
Nurses	10	<1%					Y							Y	Y								Y
Occupational Therapists	11	1% to 3%	Y			Y	Y		Y			Y									Y		
Opticians	3	1% to 3%																					
Optometrists	43	1% to 3%	Y	Y	Y	Y	Y	Y	Y		Y	Y	Y		Y		Y	Y	Y	Y	Y	Y	Y
Oral Surgeons	7	<1%									Y						Y	Y	Y				
Osteopaths	21	1% to 3%	Y		Y						Y						Y	Y	Y	Y			
Pain Management Specialist	2	1% to 3%							Y														
Pastoral Counselors	2	<1%																	Y				
Pharmacists	4	<1%		Y															Y				
Physical Therapists	16	1% to 3%	Y						Y										Y		Y		Y
Physician Assistants	15	<1%		Y						Y	Y				Y				Y	Y			Y
Podiatrists	35	<1%		Y	Y	Y	Y	Y			Y	Y			Y			Y	Y	Y	Y	Y	Y
Professional Counselors	16	<1%			Y		Y	Y			Y						Y	Y	Y	Y	Y	Y	Y
Psychiatric Nurse	16	<1%					Y	Y	Y		Y											Y	
Psychologists	44	1% to 3%	Y	Y	Y	Y	Y	Y	Y		Y	Y	Y				Y	Y	Y	Y	Y	Y	Y
Public or Other Facilities	25	<1%			Y	Y	Y		Y		Y					Y		Y			Y		Y
Social Workers	27	1% to 3%	Y				Y	Y	Y		Y						Y				Y	Y	Y
Speech or Hearing Therapists	18	<1%	Y		Y	Y	Y										Y		Y		Y	Y	Y
<b>COVERED PERSONS</b>																							
Adopted Children	42	<1%	Y		Y	Y	Y	Y	Y			Y	Y	Y	Y	Y	Y	Y	Y			Y	Y
Continuation/Dependents	44	<1%			Y	Y	Y	Y	Y		Y	Y	Y		Y		Y	Y	Y	Y	Y	Y	Y
Continuation/Employees	44	<1%			Y		Y	Y	Y	Y		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Conversion to Non-Group	42	1% to 3%			Y	Y	Y	Y		Y		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Dependent Students	12	<1%							Y			Y	Y				Y	Y	Y	Y			Y
Handicapped Dependents	39	1% to 3%			Y	Y	Y		Y			Y	Y	Y	Y	Y	Y		Y	Y	Y	Y	Y
Newborns	51	1% to 3%	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Non-Custodial Children	10	<1%							Y														
Domestic Partners	2	<1%					Y	Y															
<b>Total</b>	<b>1831</b>		<b>24</b>	<b>18</b>	<b>40</b>	<b>29</b>	<b>49</b>	<b>37</b>	<b>50</b>	<b>17</b>	<b>24</b>	<b>49</b>	<b>39</b>	<b>22</b>	<b>23</b>	<b>13</b>	<b>38</b>	<b>34</b>	<b>37</b>	<b>33</b>	<b>40</b>	<b>40</b>	<b>59</b>

Legend: Y - Mandated

- Not Mandated



ME	MI	MN	MO	MS	MT	NC	ND	NE	NH	NJ	NM	NV	NY	OH	OK	OR	PA	RI	SC	SD	TN	TX	UT	VA	VT	WA	WI	WV	WY
Y				Y						Y	Y					Y		Y				Y		Y		Y			
Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y		Y	Y	Y	Y	Y	Y		Y	Y	Y	Y	Y	Y
Y	Y	Y	Y	Y	Y	Y	Y		Y	Y	Y	Y	Y	Y	Y	Y	Y			Y	Y	Y	Y	Y		Y		Y	Y
				Y																						Y			Y
Y		Y																				Y							Y
Y											Y											Y					Y		
Y		Y		Y		Y				Y		Y						Y			Y		Y		Y	Y	Y		Y
					Y				Y														Y				Y		
Y	Y	Y	Y	Y		Y			Y	Y	Y	Y	Y	Y	Y	Y	Y		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Y								Y																				
Y	Y	Y	Y	Y	Y		Y		Y	Y	Y	Y	Y	Y	Y	Y	Y		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Y								Y																				
Y	Y	Y	Y	Y	Y		Y		Y	Y	Y	Y	Y	Y	Y	Y	Y		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Y								Y																				
Y	Y	Y	Y	Y	Y		Y		Y	Y	Y	Y	Y	Y	Y	Y	Y		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Y								Y																				
Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Y	Y								Y	Y								Y	Y	Y	Y	Y	Y				Y
		Y	Y								Y	Y								Y	Y	Y	Y	Y	Y				Y
Y		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Y	Y								Y	Y								Y	Y	Y	Y	Y	Y				Y
		Y	Y								Y	Y								Y	Y	Y	Y	Y	Y				Y
44	25	62	39	28	39	44	33	30	34	40	45	49	46	25	36	31	37	40	28	28	39	51	21	54	23	48	30	35	32

ADDITIONAL MANDATES			
Although not yet prevalent nationwide, CAHHS also monitors activity related to the following additional mandates:			
AR	Athletic Trainer	1	<1%
GA	Vision Care Services	1	1% to 3%
MD	Smoking Cessation	1	1% to 3%
ME	Breast Reduction Varicose Vein Removal	2	<1% <1%
NV	Hormone Replacement Therapy	1	<1%
NY	Ambulatory Surgery Hormone Replacement Therapy Psychotropic Drugs	3	N/A <1% <1%
RI	Early Intervention Service	1	<1%
WI	AIDS Vaccines Psychotropic Drugs	2	<1%
Mandates in all states (from above chart)		1831	
Total		1843	

## Current State Mandates—2006

*Consumer Choice,  
Rather Than Mandate  
Get Involved!*

## Current Federal Mandates—2006

- Chemical Dependency
- Continuation of Coverage for Disabled Dependents
- Convalescent Care
- Creditable Coverage
- Dentist Services
  - Common to both medicine and dentistry
- Diabetes Education, Equipment and Supplies
- Mammograms
- Mental Health
- Minimum Stay After Childbirth
- Naturopathic Physician
- Newborns: First 31 days
- Nurse Specialists
- Physical Therapists
- Physician Assistants
- PKU-Metabolic Disorders
- Post-Mastectomy Care
- Prescription Contraceptives
- Pre-existing Condition
  - Look-back period of 6 months
- Self-Referral for OB/GYN
- Severe Mental Illness
  - Cover as any other illness
- Well-Child Care and Immunizations
- Creditable Coverage
  - For groups over 50
- Mental Health Parity
- Post-Mastectomy Care
- Pre-existing Look-Back Period

Total \$21.22

## Other HotTopics in Healthcare

Blue Cross and Blue Shield of Montana continues to monitor these and many other issues at both the State and Federal levels:

- Rapidly Rising Health Care Costs
- Uninsured Montanans' Tax Credits
- Montana Comprehensive Health Association
- Privacy of Health Information

- Prescription Drugs and Costs
- Medicaid and Medicare Reimbursement
- Children's Health Insurance Program, Caring Program for Children

## Potential New State Mandates—2007

- Acupuncture Service
- Chiropractic Supplies
- Morbid Obesity
- TMJ (temporomandibular joint disorder)
- Hearing Aid [SB151] (per ear)
- Well Child to age 7
- (\*\*Pediatric Audiology [SB101])

TOTAL:

\$4.40

## Mandates Affect Rates

Current State and Federal mandates cost Blue Cross and Blue Shield of Montana's members millions annually. Proposed mandates would add to that cost.



\*\*scaled back bill if passed on its own could be PMPM \$1.25

presented by Tanya Ash NCBS/AT 2/11/07